

Sen. Schumer and Rep. Nadler Reveal Gaping Hole in Piracy Law That Allows Cheap Imports to Flood NYC Market

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NEW YORK -- To address the recent flood of imitation and knock-off designer clothing that drains the New York economy of millions of dollars annually and threatens thousands of fashion industry jobs, U.S. Senator Charles E. Schumer (NY) and Congressman Jerrold Nadler (NY-08) today announced new legislation to protect fashion designs from "piracy," or the copying of unique designs. The sale of direct copies of fashion designs is currently legal as long as the item is sold without the designer's label. The Design Piracy Prohibition Act would change that by extending design protection, similar to copyright protection, to original fashion designs, giving designers control over their creations, and helping protect the fashion business from losing jobs and huge revenues in New York.

"New York has made strides in reaching the pinnacle of the global fashion industry, and we can't cede that ground to counterfeiters and copycats who are robbing designers of hours of labor and inspiration to turn a quick profit," Schumer said today. "It's illegal to copy Harry Potter for sale, and it should be illegal to copy Nicole Miller too. This gaping hole hurts the fashion industry from the top to the bottom. For the large, more affluent designers, Chinese piracy can cost them millions every year. For the young, up and coming designer living in New York, having an original work ripped off can be soul crushing and discourage them from following their dreams."

"America is a land of innovation and creativity in all fields, and here in New York City, that is certainly true of the fashion industry," said Rep. Nadler. "Fashion is the second largest industry in New York, but there are no federal laws to fight fashion design piracy. Every knock-off of an original item harms the designer, and more importantly, costs the city over \$1 billion in lost taxes every year. It's high time we end this counterfeiting of the ingenuity and originality of our best fashion designers."

There are no laws on the books protecting clothing designs from rampant Chinese piracy. Current copyright law extends legal protection to many forms of creative work, including music, books, TV shows and movies. However, the same protections are not granted to apparel because under the law, articles of clothing are considered "useful articles," as opposed to works of "art." Under current law, patents can protect creative objects, but it is virtually impossible to get a patent on an entire article of clothing. Trademarks only protect brand names and logos (like the horseman on a Ralph Lauren polo shirt), but not the clothing itself. As a result, nothing in the law protects truly creative, innovative clothing designs.

The fashion industry is one of the largest industries in New York, creating thousands of jobs and generating tens of billions of dollars in annual sales. However, while New York has surged to the top of the list in global fashion design, the United States has remained one of the few industrialized nations with no traditional intellectual property protection for fashion designs. According to the U.S. Department of Commerce, American companies lose \$250 billion in sales annually to sales of illegitimate goods. In addition, according to a report by New York City Comptroller William Thompson, New York City is home to a \$23 billion annual illegal counterfeiting industry, causing the City to lose more than \$1 billion in tax revenues each year.

To protect New York fashion designers, houses, millions of dollars in economic and tax revenue, and thousands of jobs, Sen. Schumer today announced new legislation to impose first ever design protections for clothing designs. Schumer's "Design Piracy Prohibition Act" will protect designs from being directly copied by outside sellers for three years after it comes to the market. Rep. Nadler will support the House version of the legislation.

"Fashion brings thousands of jobs and billions of dollars to New York," Schumer said. "Each dollar of pirated merchandise is a dollar that's taken away from New York's economy. It would be foolhardy and short-sighted to leave our important businesses vulnerable to piracy here, especially when they could easily pick up and leave for Paris or London for more security."

Sen. Schumer and Rep. Nadler were joined today at the Fashion Institute of Technology by designers Nicole Miller, Narciso Rodriguez, Jeffrey Banks, Marc Bouwer and Dana Foley, as well as Stan Herman, Past-President of the Council of Fashion Designers of America (CFDA), Richard Lambertson, CFDA Treasurer, and Yeohlee Teng, CFDA General Secretary.

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